

COMMISSION CONFERENCE**SEPTEMBER 17, 2002**

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Present: Mayor Naugle
Commissioners Hutchinson, Katz, Moore, and Smith

Also Present: City Manager, City Attorney, and City Clerk

I-A – Employee Health Insurance Benefits

Mayor Naugle proceeded to Item I-B while waiting for Commissioner Moore to join the meeting.

I-B – Strategic Planning - Florida Atlantic University

The City Manager stated that this was an introductory type of program and for a number of years they had been trying to embark upon a number of planning strategies. There had been the Downtown Initiative, the Subarea Mobility Study, and the Long-Range Plan. Dr. Leslie Leip of FAU would present an introduction of a plan for the City to begin after February and March of 2003 whereby there would be a Commission in place that could embark upon a long-term program of strategic planning. Dr. Leip was brought to the City's attention by Commissioner Katz.

Commissioner Moore joined the meeting at approximately 1:42 p.m.

Dr. Leslie A. Leip, School of Public Administration, Florida Atlantic University, stated that the basic purpose of her presentation was to discuss the process of strategic planning. She explained this was a management tool. She stated that she had been part of several strategic planning sessions with a variety of government agencies. She explained that she was a Professor in the School of Public Administration at Florida Atlantic University, and she also worked with Martin Kelly of the Government Emergency Services Division, Juvenile Justice Board, and presently she was working with the Palm Beach Sheriff's Office.

Dr. Leip stated that there had been some efforts to understand strategic planning and moving forward. She understood that the City had several different comprehensive plans, but not one strategic plan to join everything together. She explained that the City was growing and prosperity and continued growth was a finite source of time, money and the need to make difficult decisions. She gave Martin County as an example and explained that they had five different departments consisting of the EMS to Animal Control. She stated that they had established their strategic goals for the entire division based on information regarding population, calls for services, and citizens' needs. When they got to the budgeting process, priorities were already in place and everything had been based on valid data.

Dr. Leip explained that by having one strategic plan numerous benefits would be available, such as allowing for discussions about values and missions which drive important decisions for the City, allowing for the setting of priorities, and allowing for the establishment of goals and objectives. She further explained that strategic planning allowed for an evaluation component which was used to discuss how well the goals and objectives had been attained. She distributed some material explaining how to begin setting up a strategic plan and suggested they think of the top three values for the City, and the Vision everyone wanted, and what actually would be the City's mission statement.

Dr. Leip stated she had been involved in strategic planning and had seen first hand the power of this process, as well as the planning process and what could take place afterwards. She further stated this was not easy and was a time consuming process, but it could be dynamic and ongoing. She also stated that the University was willing to help and assist the City in any way possible.

Mayor Naugle thanked Dr. Leip for the interesting presentation.

ACTION: None.

I-A – Employee Health Insurance Benefits

The City Manager introduced Mr. Lloyd Rhodes, the consultant to the City who would give an update on this matter. He also stated that Terry Sharp, Assistant Finance Director, would assist during the presentation. Afterwards, comments would be made by Mr. Barry Capretta who was the consultant to the FOPA.

Mr. Lloyd Rhodes stated the following topics would be covered in his presentation: Action taken in the last two months, the accomplishments which occurred in the last two months and based on previous efforts, the trends, budget implications, and options and future action. He further stated that one of the first things they did upon the departure of the Risk Manager was to establish a working group comprised of 8 individuals. Those people were: Lloyd Rhodes, Barry Capretta, Daman Adams, Terry Sharp, Sue Benedict, Theresa Garcia, Medea Rudd, and Karen Van Ash. He stated they met every Monday and clarified the benefits of the existing plan and identified potential savings.

Mr. Rhodes explained that the gray areas in the Plan, such as smoking cessation and dental, had revisions. He stated they worked with the networks to insure that the City was receiving full benefits. He explained that BMC was very helpful in supplying data and reports on demand in order to fully analyze the impact of the North Broward Hospital District and the PPO networks. He further stated that they had recommended a re-enrollment to assure that all the people covered under the Plan met the definition of eligibility. He stated that this process was near completion, but they had to do an analysis of the impact. Mr. Rhodes stated that approximately 50 people had been covered under the Plan who were not eligible.

Mayor Naugle asked if there would be a recovery of the funds. Mr. Rhodes explained that part of the analysis would be to identify claims spent under the Plan and determine if the collection process would be worth the effort. He stated that they had kept employees informed by working with committees, both the Management and Confidential, the FOPA, and established Health Care Committees.

Commissioner Moore left the meeting at approximately 1:55 p.m. and returned at 1:56 p.m.

Mr. Rhodes stated that they had initiated the actuarial update to project future costs and worked with the actuary in identifying the appropriate credits that needed to be made for benefit reduction and credits for network changes that occurred in the North Broward Hospital District and in the PPO Next. He continued stating that the actuarial study had been completed and copies had been distributed. He advised that a second opinion was pending.

Mr. Rhodes remarked that BMC had done a tremendous job since they became effective May 1st in reducing the claim backlog to an acceptable two-week time frame. Another issue was the fact that there was no current plan summary document. The first draft of that document which would clarify many areas for the employees would be ready soon. Mr. Rhodes continued stating that they had identified the employee contributions which had taken place since last year, and they identified the network changes which took place in the North Broward Hospital District and the PPO Next which attributed \$1.2 Million per year. He explained that benefit changes had taken place from the standpoint of prescription drug co-pays which increased from \$10 to \$20 and an additional \$2.5 Million would be contributed. He stated that co-pay changes for hospitalization occurred. He stated that limitations were placed on chiropractic services which appeared to be out of control. He explained that through the process of BMC taking over, they were able to identify areas that USA was not processing claims properly, especially regarding the dental plan because they were not applying what was called "usual, customary and reasonable application" so the dentist could submit claims in different amounts for the same service. They estimated that these changes would help create an additional \$500,000 in savings.

Mr. Rhodes remarked that payroll deductions had been implemented on July 1st for the general employees and the FOPA. He stated that the FOPA Confidential were implemented May 1st. These would

contribute an additional \$1.2 Million. Total of employee contributions would be \$5.4 Million per year towards reducing the cost of the Plan.

Mayor Naugle asked for more information regarding the chiropractic services.

Mr. Rhodes stated that many Plans today limited chiropractic and physical therapy to a certain number of visits per year. On the previous plan there was no limitations.

Commissioner Smith asked what amount the payroll deduction would be for the FOPA employees.

Terry Sharp stated that it was \$16 bi-weekly for single employees, \$29 for an employee with children, \$30 for employee and spouse, and \$40 for the employee and their entire family.

Mr. Rhodes stated that the current status of the plan was as follows: The deficit through September, 2002, including the run-off was \$13.3 Million. Run-off were claims that had been incurred, but not yet recorded. The cash deficit was projected to be around \$10 Million. He further stated there was a significant need for additional revenue and/or expenditure reduction. He explained that the budget for Fiscal Year 2003 could not resolve the shortfall all at one time. One of the advantages of being self-funded was to have the opportunity to recoup this through benefit reductions and improved utilization.

Commissioner Smith asked if they would run in the black in the year 2003. He continued to ask if the Plan would pay for itself or would they continue to work on a deficit. Mr. Rhodes explained that the projected plan would have them break even in 2003. He further stated that the Plan was a 5-year amortization of the deficit.

Mayor Naugle stated they were breaking even because the premium was going from \$770 per month to \$1359 per month, and the taxpayer was probably being billed double since last year.

Mr. Rhodes stated that the network and benefit changes were making a difference. He showed a graph which depicted a downward trend on claims. He believed further cost savings were possible. Discussions were held regarding a 3-tier drug co-pay program which would save the Plan approximately \$460,000 a year which was produced by Eckerd Health Systems. In addition, certain prescriptions were covered under the Plan which should either be limited or require prior authorizations to prevent over utilization. Mr. Rhodes stated they were recommending that Zyban be eliminated from the Plan. He explained that the effectiveness of smoking cessation required a joint effort of prescription drugs and a counseling process.

Commissioner Smith asked if they considered keeping Zyban as a benefit but requiring some sort of counseling in conjunction with the drug.

Barry Capretta stated that their initial thought was to look at a lifetime maximum of \$250 to \$500. He emphasized that it was important to have a two or three-prong approach to this problem.

Commissioner Smith commented that if they did not assist employees to stop smoking, then more serious diseases could develop and cost the Plan more money in the future. Mr. Capretta agreed.

Mr. Rhodes stated that PPO Next was not generating discounts as anticipated. He stated that PPO Next had a lease arrangement with Dimension Health which was another network located out of Miami which was a hospital based network that commanded significant discounts. He explained they had contacted Dimension directly and they had agreed to pass on their best discount with respect to their facilities. At one facility alone the discount went from 10% on charges to a per diem arrangement. Since February that facility had generated \$270,000 of billed charges, and the incremental value of the new deal being implemented was 35% of additional discounts for approximately \$100,000 at the one facility. He stated that Hollywood Memorial would be included on a per diem basis.

Mr. Rhodes stated that an EPP or HMO option could be used to control costs. He further explained that EPP stood for Exclusive Provider Plan and was a self-funded HMO where an employee had to stay within a defined network which was significantly smaller, but in return they received bigger discounts. He further stated this was a possible option.

Mr. Rhodes stated that feedback indicated that the employees would be willing to consider a DHMO plan as an option. This plan had some advantages and did not have a limited benefit, but were not self-funded. There were fixed co-pays by procedure.

Mr. Rhodes proceeded to show a chart of Health Revenue and Incurred Medical Claims through July, 2002. Incurred meant claims incurred in a particular time frame, but not necessarily paid in the same time frame. Prior to any impact of revenue, they were seeing a definite positive down turn and they were achieving what they wanted to do and that was beating trend on the medical plan. An issue brought up in discussions was that the market place was going crazy since September, 2000. He showed an illustration taking the premiums that were in force with the previous plan and trended the rates by 25% per year which was not an unreasonable number. The revenue changes which occurred on the self-funded plan did not keep pace and there would have been significant increases.

Commissioner Smith stated they were not aware of running a deficit at those times. Mr. Rhodes replied that in quarterly claims they would have received indications, but when they began the self-funded plans there were questions about the reports that had been generated by HIP Health Plan. Those reports were problematic and that could have been a reason why they ended up with rates that were lower than what they should have been. Commissioner Smith clarified those had been based upon private plans with HIP. Mr. Rhodes stated that the reports received on claims were not up to where they should have been.

Terry Sharp proceeded to explain the budget implications of the plan. He explained that the actuarial study projected that the shortfall since the beginning of the plan in September, 2000 would be \$13.3 Million, and in the next fiscal year they would need an additional \$9 Million with no changes in the plan. Mr. Rhodes also stated that those numbers included an 18% trend for medical costs and an 18% trend for prescription drug costs. He explained if they could beat trend by making additional trends, the numbers could go down.

Mr. Sharp stated that in terms of the shortfall, they were suggesting on tonight's agenda to provide a cash infusion toward the \$13.3 Million shortfall of \$5 Million. He explained this could be amortized over a 5-year period and they were suggesting that \$1.3 Million could be pulled out of next year's budget, and the funds which have a balance and wouldn't need a 5-year amortization period could give their share now. This did not presuppose who would ultimately still pay for this and the Management Confidential and FOPA employees were across the board in terms of funds and services in the City. This was saying that in taking a head count in the various funds, this would be their pro-rata share of the deficit. The enterprise funds would pay their share up front out of retained earnings and anticipated fund balances.

Commissioner Smith asked if this would affect any capital projects. Terry Sharp replied it would not affect any for the next year. He explained they would have to track this like any other budget and if it did affect any capital projects, then they would have to make a choice. Terry Sharp stated this did not presuppose that there could be additional contributions from employees or other benefit deductions which could help pay for part of this. He further explained that this would cover approximately \$5 Million of the \$13.3 Million, and therefore, about \$8 Million was being amortized over the following 4-year period.

Mr. Sharp stated that in terms of the \$9 Million premium, they had already pledged the \$3.6 Million more and had budgeted for family coverage \$834.92. Money was already in the budget as an increase for the City's contribution based upon what they usually contributed in terms of the increase, but they assumed that approximately \$3.9 Million from other contributions. He reiterated the cost saving potential that was available from pharmaceutical drugs, additional discounts, limiting access and looking at HMO options. He further stated there were a variety of things they could do from the existing plan that might generate

additional savings.

The City Manager asked for a clarification of the \$834 per employee that was projected for the next year. Mr. Sharp explained that the \$834.92 represented what was in the budget to pay for the employees who had family coverage. Comparing this to what was in the schedule, the actuary was saying they needed \$1359 per month. They were down about \$500 per month. Terry Sharp stated they were assuming that the \$1359 per month was the amount needed with no changes in the current plan. He reiterated they had identified a variety of measures that could be taken to reduce the costs further and the trends were going in the right direction.

Commissioner Moore clarified that this was showing what an insured plan cost with high and low options and an HMO. It showed the costs of those plans from '98 through '03. In the insured plans even if they contributed \$834.92 per employee, the insured plan forecast for the high and low option PPO would have still been \$200 to \$300 more than what had been proposed. Commissioner Smith added that now it was \$500 more. Commissioner Moore agreed and stated that was because they did not have a low option HMO. The recommendation was that they have such an HMO. He reiterated that it was not just about money, but was also about changing some of the plans. Commissioner Moore added that in the years of 2001 and 2002 the City was contributed \$684 and in most cases everything was covered simply because there was a low option HMO plan. Commissioner Smith asked if they were recommending they fund at the \$1360 level. Terry Sharp replied he was not suggesting that.

Mr. Rhodes stressed the fact that they were playing catch-up and this was part of the reason for the large increase. He added that Broward County had 14% increases. Mayor Naugle asked what the County's annual benefit was for family coverage. Mr. Rhodes stated that the HMO family coverage was \$620.83, but this amount was going up by 29%.

Commissioner Moore stated that Mr. Rhodes was correct that the County's premium for an HMO plan was \$696 and would go up approximately 30% for the year 2003. He explained that this City had a PPO plan which was wide open, and the only way to contain cost was to exercise control and the HMO offered control. He further reiterated that at this point they did not have a funded HMO.

Mayor Naugle asked what was the County's PPO amount. Mr. Rhodes stated that he had the School Board's figures, and the PPO for family coverage was \$1,251.

Barry Capretta explained that they had been funding a very rich PPO plan at an HMO level. Commissioner Smith asked if they were suggesting they return to a self-funded HMO type plan. Barry Capretta explained you would have to have some type of HMO plan to assist the PPO plan which would be good for both the City and the employees. The City Manager stated this should be one of the options considered.

Mr. Rhodes proceeded to discuss options for the future. He felt they could not afford to sit still with the existing plan and needed to continue to meet and develop plans to achieve cost savings, especially in the area of discounts. He explained that they had identified of the PPO utilization, the North Broward Hospital District was only getting 30% of the PPO network utilization. They were getting the best deal of a 44% to 47% discount. He explained that the PPO numbers were coming in at 32%. Employees needed to use the NBHD and in helping to encourage this use they needed to improve their website and directory. PPO Next had agreed to print a directory and the cost would be approximately \$10,000.

Commissioner Katz reiterated that it was said that there were a lot of people using the network outside of the North Broward Hospital District because of where they lived and that was a reason for not getting the utilization. Mr. Rhodes confirmed and stated that using the Hospital District was only a part of the problem. The other part was to identify the facilities where they could negotiate a better deal. Discussions arose about the South Broward Hospital District, but Mr. Rhodes stated they had not yet engaged in any negotiations with them and were not sure how receptive the District would be due to the

fact they had a separate deal with the North Broward Hospital District and the City of Hollywood, but those discussions needed to be initiated.

Commissioner Smith stated if the only option was the North Broward Hospital District would they get large savings. Mr. Rhodes explained they were jumping ahead of the discussion and this would be explained in more detail later on.

Commissioner Moore stated if one heard it all, you could appreciate all that had been done to reduce costs. He reiterated that everyone needed to understand what they were dealing with, but they were proposed rates and negotiations would ensue.

Mayor Naugle stated the County would always have higher costs due to having to pay the lobbyists.

Mr. Rhodes stated that Dimension had a good network and they needed to identify which facilities had the best discounts and identify them as preferred within the PPO network to improve discounts. They needed to communicate all this information to the employees so they would understand they played a part in keeping costs and contributions to a lower level.

Mayor Naugle stated that due to employees living in other outlying areas, it would help to have access to the South Broward Hospital District. Commissioner Moore agreed, but stated it was very competitive and was based upon the number of individuals that would use those facilities. He further stated that this plan offered employee participation in reducing future costs.

Commissioner Smith stated they would have to choose between convenience or cost saving. Mayor Naugle remarked that people had to also feel comfortable with their physicians.

Mr. Rhodes stated there was also the option of making additional benefit changes in trying to incentivize people to use the North Broward Hospital District, and they might want to consider looking at higher co-pays and increased cost sharing within the PPO network. He explained all these options were being discussed with the committee and they were identifying such possibilities with potential cost savings without adversely affecting the employees.

Mr. Rhodes remarked there had been a big change in regard to pharmacy management. The co-pay jumped from \$3 to \$10 to \$20, but other things could be done such as a 3-tiered drug co-pay and pre-authorization for certain over-utilized drugs. He further explained that Eckerd was developing a laundry list of what could be done. Other cost savers could be to promote member utilization, and the City budget do an annual claim audit of the TTA third-party administrator. The other alternatives were to issue an RFP for a self-funded PPO and HMO medical plan asking for fully insured rates, carving out dental benefits, and a passive PPO plan. Mr. Rhodes further stated that the arguments for issuing a Health Plan RFP were to help identify additional options and help to find an HMO option. He explained they could not go strictly for an HMO RFP with the self-funded plan because the North Broward Hospital District would not agree to continue their favorable arrangement because of the potential drop in membership. The City only had 1700 members covered under the plan, and typically they were dealing with PPOs and HMOs that had thousands and hundreds of thousands of members. Mayor Naugle asked who had such large groups of members. Mr. Rhodes replied that consisted of Humana, Blue Cross/Blue Shield, Aetna, and United. He further stated they had not only the commercial market, but they also had the Medicare market.

Commissioner Smith asked if it was possible to form an alliance with other cities. Mr. Rhodes remarked there still would not be enough members. He explained that three collaborative purchasing studies had been done in South Florida and everyone stated that it would not produce the results that were needed and too many complications trying to pull together multiple employees.

Commissioner Moore remarked that he had met with the County, the School Board, the Broward

Delegation and the League of Cities who had been discussing a consortium. There was no definition yet, but they were exploring the possibilities.

Mr. Rhodes stated that by reducing the costs they would get a better discount when looking at smaller networks. Currently, they were conducting an analysis for Miami-Dade Community College in Miami and as part of the RFP process they were asking for network information. He explained further that the current network with PPO Next the number of physicians in Broward County based upon a February analysis was 3,782, the proposals from Blue Cross/Blue Shield had 3,414 in their PPO, CIGNA had 2,724, Humana reported 2,476, and United Healthcare reported 1,978. Mr. Rhodes stated that total physicians in the HMOs were 3,782 in PPO Next, Blue Cross/Blue Shield had 1,401, CIGNA had 1,584, and Humana 1,418. Therefore, the HMO networks had less than the PPO networks.

Commissioner Moore left the meeting at approximately 2:39 p.m. and returned at 2:41 p.m.

Commissioner Katz remarked that just because there were a lot of physicians didn't mean those doctors were being used by the employees or that they were the best. Mr. Rhodes stated he did not mean to infer that any of the doctors were of lesser quality than the others on the lists. He explained that the credentialing process for the HMOs was stricter than some of the PPOs.

The City Manager asked if there was any way to measure how easy it was to have doctors join that particular network. Commissioner Moore replied it was not easy but they made every effort. Mr. Rhodes explained that there was a process involved. He stated that when they went through the process last year with Nova Southeastern, there was a 54% displacement of primary care physicians in the HMO and Point of Service, which meant that 54% of the employees/members would have to change doctors. Humana went out and contracted and dropped the displacement number about 30%. He further explained there was a wide disparity between a PPO and an HMO, but a smaller network could command better discounts. He reiterated that there would be better discounts in the future, but there would be higher administrative costs. He further stated that if an RFP was done for a PPO, they suggested that the specifications be based on the prior Humana PPO plan, and the members would receive nothing less than what they had previously under the Humana 620 PPO Plan.

Commissioner Moore stated that he felt one of the problems would be if they received a response to an RFP and they say PPO, members would not see the difference between a "Cadillac Plan" and a "Chevy Plan." He asked if in the RFP they would ask for the responses to match the benefit design currently existing.

Mr. Rhodes explained that there were two columns under PPO. One was the North Broward Hospital District and then the PPO. He suggested that the NBHD be a parameter of HMO benefits with some minor changes. Then, the PPO Plan, PPO Next, and the outer network become the PPO Plan using parameters which were similar to those currently in place. Since there were two different networks within the current PPO Plan, it would be difficult to duplicate this in the market place.

Commissioner Smith asked if the City still had a "Cadillac" plan or were they down to a "Chevy" Plan. Commissioner Moore stated he felt they were headed towards a durable and quality plan, without some of the extra luxuries. He believed a quality plan was important for the members. He reiterated that quality had costs associated with it.

Commissioner Katz reiterated that it was important to offer basics to the employees, and offer options for upgrading. Then, it would be up to each individual to choose the plan of their choice.

Mr. Rhodes stated that the arguments against an RFP were that the NBHD would terminate from the standpoint of the network relationship existing today, fully insured rates could be limited to one year, proposals would result in smaller physician networks, and employees would be concerned about changes. Significant changes were made to the plan this past year and the existing plan was a good one,

but more changes could be made bringing it more in line with the market place but anxiety among the employees was an important factor.

Commissioner Smith asked if that meant there were still some rich benefits that might need further modification. Mr. Rhodes explained that he felt there were some benefits within the plan which could be adjusted upward with being competitive within the market.

Mr. Rhodes stated that the recommendations they had formulated were as follows:

- . To continue to work with the existing PPO plan design, but begin negotiations with the FOPA.
- . To continue to seek input from Management Confidential Employees.

Commissioner Smith asked if negotiations with the FOPA could begin now or did they have to wait until January. The City Manager stated that negotiations traditionally started in April, but on selective matters they could begin at any time. Commissioner Moore stated that they were not asking for negotiations, but they were giving options and he felt that an income earner lower than management level would want to have options and they would be beneficial.

Mr. Capretta stated they were in support of all the changes and initiated many of the ones discussed. He further stated that he had been hired by the FOPA back in January and many changes were made, including third-party administrator changes from USA to BMC, network changes, contribution changes, and benefit changes. He felt they did reach their goal with the changes, but they were still not enough. He stated that the RFP was a good idea, but what you put in the RFP was out for question. He further stated that they needed an HMO option. He explained that the FOPA salaries were lower and they needed an option with low out-of-pocket costs, and also needed some low cost dental. He stated that further negotiations were still necessary. Other items for discussion were pharmacy costs and they felt they should not cover drugs which were not necessary. Mr. Capretta reiterated that they did not have to wait until January to negotiate.

Mayor Naugle asked what would happen if they opened up an HMO for a portion of the labor force and how would the NBHD react. Commissioner Moore stated he did not know if they would react and hoped they wouldn't, but the risk was there. He felt the District would not drop coverage, only that percentages would change. Mayor Naugle asked if it was conceivable that if an HMO was offered would it be utilized by the employees and thereby eliminating an employee contribution, but still offering additional options. Commissioner Moore stated that other companies had taken the premium cost for HMOs and stated that would be their portion of payment, and if an employee chose another service they would have to pay the difference, thereby giving them an option. He believed further discussions regarding options should be held at a later date, but it would be prudent to go to an HMO and a Dental HMO at this time.

Commissioner Smith reiterated that he would like to see more numbers regarding the contributions. Mr. Rhodes replied they needed to put out the RFP. Commissioner Smith asked how long the process would take.

Mr. Capretta explained that costs could not really be projected because future costs were based on claim experience and that was hard to project. Commissioner Smith asked how quick could they make the change. Mr. Capretta stated they had to issue the RFP. The City Manager stated possibly it could be done by the end of December.

Mayor Naugle stated that he would like to see more information because they were in the 3rd year of a contract with the FOPA, and that part of the contract had an expense budgeted for employee health insurance. He, therefore, would like to see those numbers and how they compared to the numbers they were asked to approve today. He also stated that he was uncomfortable about the benefit totaling approximately \$1400 a month for family coverage.

Commissioner Moore stated that based on the market no matter where one went, one would fall into the

same range of numbers. He reiterated that was not the case with an HMO, and still believed it was important to offer an option.

Mr. Capretta stated that he was concerned if the present plan was kept and they offered an HMO and only asked for a quote for an HMO, then theoretically that could challenge the relationship with the NBHD. So in order to protect oneself when going out for a quote, he recommended they quote a self-insured HMO and a PPO type plan, otherwise it would not work.

Commissioner Moore disagreed, but he felt if they followed the proposed outline, there could be some sort of resolution. He reiterated there had to be an open enrollment if the employees chose to go to a different plan. Commissioner Smith stated that at least the problem had been identified and they were getting closer to a solution, but he still wanted to know who was in charge of this effort. He continued stating that they had brought in some very good outside consultants, and wanted to know if there was anyone in charge in the City who understood the matter in the same capacity. He also asked if the contract for the outside consultants could be extended. Commissioner Moore replied that Mr. Rhodes' contract had been extended until December.

The City Manager stated that they currently were recruiting for a Risk Manager, a Finance Director, and a Benefits Coordinator. In the interim, Mr. Adams and Mr. Sharp were working with Mr. Rhodes. Commissioner Moore stated that the key person needed was a Benefits Coordinator. Commissioner Smith asked if the City could make a commitment that the position would be filled. He was informed that there were 10 possible candidates for the position of Risk Manager. The City Manager stated they would do their best to fill the positions as quickly as possible and he hoped to have them filled by December.

Commissioner Katz asked if it was possible to find out what other companies were offering besides the self-funded plans so a comparison could be made. Commissioner Moore stated that Commissioner Katz was requesting that an insured plan be offered at the same time, but he was concerned they would not be making close comparisons because similar benefits would not be matched. He stated that the rates were only for one year and no cap was given regarding the increase. Commissioner Katz remarked that you could change companies after one year. Commissioner Moore reiterated about employee anxiety with constant change. Commissioner Smith stated that there was no guarantee on the self-funded plan that costs would not go up. Commissioner Moore agreed, but stated that they might be able to control the benefit immediately. He stated that you keep decreasing the benefit plan to control the cost. The self-funded plan gave you control. Commissioner Katz stated that you might have control, but they were not doing a good job regarding discounts. Commissioner Moore reiterated that they had more information with a self-funded plan than what they would have with any other methodology of insurance.

Mayor Naugle stated they could possibly get the same comfort level by looking at what other cities were paying. Commissioner Moore stated they should do that for comparison.

Mr. Rhodes stated that last year Miami-Dade School Board took a fully insured proposal from CIGNA and they enrolled three-quarters of the group which were under rated, therefore, they had an 86% increase. Since the City was already in a self-funded situation and if they went fully insured, they would take the claims and forecast them forward adding a risk margin, administrative costs at about 15%, and a fully insured premium, and they would lose the ability to gain back and improve utilization.

Commissioner Smith remarked there were still a lot of budget implications for next year that they did not have answers for yet.

The City Manager stated that Mr. Sharp had addressed those questions. Mayor Naugle reiterated that he had asked for the figures regarding the third year of the contract. Mr. Sharp stated that they had budgeted for \$828, and the contract provided for a 10% increase per year. He continued stating that the actuary had said they needed an additional \$9 Million. He explained that \$7.5 Million was assumed in the budget.

Commissioner Moore asked who would write the RFP. Mr. Rhodes explained that was not part of his contract, but they could write it.

Commissioner Katz stated they needed to take a harder look at what was going to be done to reduce the difference in cost with the PPOs. She felt that the ideas regarding marketing and educating the employees were not enough. Commissioner Moore felt it was important to educate the employees so they could understand what impacts there were from their actions.

Mr. Rhodes stated that the PPO option for non-network utilization had increased significantly the out-of-pocket expenses. He explained it was a 60/40 plan with a \$1,000 deductible per calendar year.

Mr. Capretta stated that Commissioner Katz was correct and that in most successful self-insured plans, the employees used it as theirs. He stated that the \$1360 was a family cost projection by the actuary for next year with no additional changes. Commissioner Smith stated that most people felt the City did not have control of the situation and control was vital.

Action: Approved as recommended, with the addition of an RFP.

A short recess was taken. Meeting recessed at 3:17 p.m. and reconvened at 3:24 p.m.

I-C – City View Townhomes

Mayor Naugle stated that he was in agreement with the recommendation.

Commissioner Moore asked about the \$15,000 figure that was listed.

Pete Witschen, Assistant City Manager, explained that the money was for legal advice and the neighborhood did not want to spend a lot of time and then no one be bound by the results of the mediation. The contractor was not willing to agree with the set parameters and the City felt it was not worthwhile to spend the time and the money. Commissioner Moore clarified that the Homeowners Association chose not to. Mr. Witschen stated it was not the fact that they were unwilling to go to mediation, but the fact was there was no one on the other side of the table willing to agree to the same ground rules

Commissioner Katz returned to the meeting at 3:25 p.m.

John McConaha, representative of the City View Homeowners Association Board, stated that the developer was not willing to cooperate. The new Board was willing to work with the City to settle this matter.

Mr. Witschen stated that everyone on the Board, past and present, was willing to mediate and reach a binding resolution, but since the developer was unwilling to commit it would have been a waste of time and money.

Commissioner Moore stated that in the minutes of the past meeting, he strongly recommended that they do not enter into an agreement with the developer which had been chosen. The City View residents and Homeowners Association wanted to expedite things and went into an agreement with that developer after his strong objection. Commissioner Moore stated that this had occurred in 1997, and he felt the developer was offering a substandard product. In the end, the developer walked away and turned the product over to his inexperienced son. He emphasized that City View had the opportunity to select another developer and based upon their actions, they entered into an agreement with a developer that required nine extensions in order to offer a completed product.

Mr. McConaha stated there had been two developers on the project. The first had declared bankruptcy and the second was the one who built the project. Commissioner Moore confirmed. Pete Witschen

clarified that it was a general contractor. Commissioner Smith stated that the citizens were very frustrated and had been faced with an incomplete project and wanted someone to finish it. Pete Witschen stated that the amenities package was half-completed and it was a very frustrating situation. Currently, the development is an asset to the City.

Commissioner Moore clarified that they were running the water to the pool, and that water was metered for irrigation. Mr. Witschen explained that the water going through the meter was used for irrigation purposes, but because it was a joint meter they should have paid sewer charges. The majority of the water going through that particular meter never got into the service system and a sizeable credit needed to be applied because there was no impact on the sanitary sewer system. Commissioner Moore further asked who had determined for the meter to be set up in that fashion. Mr. Witschen stated that possibly it had been set up that way by the contractor, but the Association inherited the problem and the sewer charges should be based upon the tax system and there were negligible impacts.

Commissioner Moore further asked about the repairs of the security lighting. Commissioner Smith remarked it had not been properly installed. Mr. Witschen stated that it probably was never constructed right, but the inspection records showed the inspections had been properly performed.

Commissioner Moore asked if the City View residents had been given everything they asked for. Mr. McConaha stated that they would be given what had been stated in their report. He stated that their main contention was that they had to spend a lot of their own money in order to upgrade the main entrance gate to have it work properly, to maintain and upgrade the security lighting, wiring and circuit breaker, and to get the irrigation system to work properly. He emphasized that this had been a new system and should have been working initially.

Mr. Witschen stated that this caused them to deplete the reserve which was set aside for normal wear and tear, and this now would close the book forever on the City's obligations as the owner, facilitator, and developer of this property.

Commissioner Moore stated that everything would now cease and they would have no involvement in the development of the roadway. Mr. Witschen stated only the normal obligation to any property owner in the City. Commissioner Smith clarified that the City would pave the road once and then it was theirs forever. Mr. Witschen confirmed. Commissioner Moore clarified that the cost would be \$27,000. Commissioner Smith confirmed.

Mayor Naugle stated that the majority of the Commission approved this matter.

Commissioner Moore continued to ask if this type of expenditure had been given to any other community in the past. Pete Witschen explained this was an unusual situation because this had been a City development and the deeds to the roadway have not yet been turned over. If this had been private property such a recommendation would not have been proposed. Commissioner Moore further clarified that the accusation was that this problem had been caused by the developer and not the City. Commissioner Smith replied that the City had allowed this to happen while they were in control of the project. Pete Witschen stated that their contention was that the compaction of the base when originally built in Phase I was not ideal.

Commissioner Moore clarified that the subcontractor who did the roof had not been paid by the contractor so the City was to pay \$10,000 for the work. John McConaha disagreed and stated in their report they had asked for a reimbursement of \$825 for two repairs of Phase III. He further explained that the warranties were expired on the roofs in Phase III. Commissioner Moore stated that it was his understanding that the warranty would be reinstituted for three years if the subcontractor was paid. Mr. McConaha explained that if the Association paid the \$10,000, the subcontractor would extend the warranty for three years.

Mayor Naugle stated that it had probably been pro-rated anyway. Commissioner Moore once again clarified that City View was not asking the City to make this payment. Mr. McConaha confirmed. Commissioner Moore reiterated that this problem existed due to the fact that the developer chosen was inappropriate.

Action: Approved.

I-D – Proposed Road Closure - N.W. 7 Avenue at N.W. 19 Street

Commissioner Smith stated that he wanted to move this to a public hearing because they had a lot of experience in this area in relation to road closures. Every time such a closure was proposed, there was a lot of dissension, discord, discussion and fear. Meantime, this Commission took the risk and temporarily made the road closures and every time the neighborhoods had been improved, and real estate values rose and crime decreased. The problem of inconvenience faded over time. Commissioner Smith stated this was the last district in his area undergoing beautification and renaissance, and therefore, he recommended that they have a temporary trial regarding this roadway.

Commissioner Moore agreed, but he wanted everyone to understand the detriment that would happen to surrounding areas. He felt other calming methods could be used instead of closing the roadway, and emphasized that the engineers stated this was not a germane position to take regarding this situation. He believed they should discourage the traffic pattern, which could be done through speed humps and other traffic calming methods. He felt this was too drastic of a move, and the traffic counts did not support this. Commissioner Moore reiterated that the road closure would have a negative impact on the surrounding communities. He asked staff why this recommendation had been proposed.

Commissioner Smith stated that if he thought this proposal would have a negative impact on Lauderdale Manors, he would not make such a recommendation. He firmly believed that cars should be put on the major roadways where they belonged.

Mayor Naugle asked Commissioner Smith if he desired a public hearing on this item. Commissioner Smith agreed.

Commissioner Hutchinson remarked that a public hearing gave everyone a choice to voice their opinions.

Mayor Naugle stated he did not have a problem with having a public hearing. He did not see how this proposal would adversely affect Lauderdale Manors, but possibly someone at the public hearing would state otherwise.

Commissioner Katz stated that she was concerned about the fact that they were cutting off pieces of a community giving the appearance that was the reason for the road closure. She stated that in reading the backup material, if this was a collector street then the first step would be a type of traffic calming, and then they could revisit the matter. She felt this was not the way to solve such problems.

Ron Spradlin, South New River Association, stated that he and the President of SMRCA and the Board Members, along with Steve Candor and Jack Laser of the Tennis Club were present at today's meeting to show a videotape of the intersection. Mayor Naugle replied the tape could be shown at the public hearing.

Commissioner Smith reiterated that this matter was to be moved to a public hearing and asked if they agreed. Ron Spradlin agreed and further stated that the number of cars did justify the road closure. Commissioner Moore further explained the matter and stated it did not meet the threshold of being an annoyance to the community.

Commissioner Smith stated that when this came back before the Commission, he wanted the engineers

to give a report as to what could be done at 15th so there could be a more even dispersal of traffic. Commissioner Moore reiterated that possibly the people at 15th did not want a change.

Action: Public hearing to be scheduled.

I-E – Community Services Board

The City Manager stated that a memorandum had been distributed to the Commission regarding the duties and direction of the Board.

Mayor Naugle stated that the Community Services Board needed to have a public hearing on community development funds, taxi permits, and other items, and possibly they could meet every month. Commissioner Moore agreed. Commissioners Hutchinson and Smith stated they did not want to meet that often. Commissioner Smith suggested this be sent over to Budget Advisory Board. Commissioner Moore stated that staff had discouraged them from meeting more often. He stated that over the years this Board had been reduced and he urged the Commission to go back and review this Board's work in the past. He felt this Board was very worthwhile and should not be labeled "as needed."

Robert Smith, member of the Community Services Board, stated that there was nothing going on and two public meetings had been held and no one attended. At one time they were funneling the request for funds through their Board, but there were not enough requests and the money was returned to General Revenue. Therefore, the function was removed from this Board in order to streamline the process for the public. He explained they had only two functions. One was to review the CAP and every ten years they reviewed the taxi medallions.

Mayor Naugle reiterated that they would review the past minutes and pass along the information to the Board.

Action: Staff to research Board's past duties and areas of responsibilities.

I-F – Results of Survey - Tarpon River Neighborhood Sanitary Sewer Improvements

Commissioner Katz stated that she was concerned if this was done for this particular neighborhood, then they would have to do it for other areas also. She remarked that this would be a loss of \$1.4 Million. Mayor Naugle stated that was out of a \$550 Million project. Commissioner Katz felt that when arrangements were made with the original neighborhoods, they accepted those arrangements. She explained they now received a letter stating that those people who had previously agreed did not want to be forced into hooking up to the sewer system.

Mayor Naugle stated that he hoped they could accommodate single-family conscientious objectors to the sewer system and accommodate the few people who relied on this representation that they would not be forced into this. Commissioner Smith agreed.

Commissioner Moore left the meeting at approximately 3:54 p.m. and returned at 3:56 p.m. Commissioner Katz reiterated that they needed to stick by the agreement that had been made.

Mayor Naugle remarked that he felt this was overstated because the \$1,000 was on equivalent residential units, and commercial did not have the same deal.

Greg Kisela, Assistant City Manager, stated that they were going to pay based on equivalent residential units. Mayor Naugle asked if the numbers were high. Commissioner Smith asked who brought the Airport into this. Mayor Naugle stated he was comfortable using Sailboat Bend and Tarpon River, if this was legally defensible. Greg Kisela stated that the Commission had asked them to research in July if

they could distinguish the commercial/industrial from the residential. Commissioner Smith remarked that staff's opinion at that time was that they could make such a distinction. Greg Kisela stated they thought they could and offered to check into the matter. Commissioner Smith stated that the "cry" had been from the residents of Tarpon River. Mayor Naugle felt they could make the distinction between residential and non-residential.

Harry Stewart, City Attorney, stated there were a number of things that could be distinguished between residential and commercial, but unfortunately in this situation none of the criteria used to calculate the fee had anything to do with the fact that it was residential or commercial. If there was some way that residential and commercial would have an impact on the calculation, then you could make the distinction one way or the other. One of the problems was that there was continuing litigation with the Airport assessment of the fee, particularly on the surface water portion and some of the damage done to the property, and therefore, he felt it was highly likely that there would be a challenge by some of the people.

Commissioner Smith asked who would be the first people assessed in the manner it had been originally agreed to. Greg Kisela stated that under the new program within 60 days they would be required to hook up once the sewers became available. He explained that the first sewers should be available about one year from now. Some of the areas would include: Lauderdale Manors, Phase I and Miami Road. Greg Kisela further stated that they would have to rescind the four assessment projects, and then send out notices. They would have to determine that the sewers were available and then require everyone to connect. He stated that they had surveyed the people in June and July, but if they moved forward in the financial pattern that was prepared to support the \$555 Million, it would be contingent on everyone connecting to the sewer system. He felt that some people in Lauderdale Manors would object to connecting.

Commissioner Hutchinson asked how many people connected in Tarpon River. Greg Kisela replied approximately one-half. He explained the whole arrangement had been changed. Those people went from paying an average of \$4500 to \$4700 to only paying \$1000. He further stated that was 75% to 80% less than what was originally proposed. Commissioner Smith remarked that some people had paid the money, but did not connect.

Mike Bailey, Public Services Department, stated that about 80% of the people in Tarpon River paid, and half had not connected. Commissioner Hutchinson asked if they knew four years ago that they were going to go through this \$550 Million project. Commissioner Moore replied they did not know. Commissioner Hutchinson remarked that was hard to believe. Mayor Naugle replied they had not come up with the funding plan. He stated that the City's goal was to eventually sewer the whole City and everyone would pay their way. Commissioner Smith remarked that there was a lot of opposition.

Greg Kisela stated that he was concerned if they rescinded the assessments, he wanted the Commission to be consistent and preserve the integrity of the \$555 Million that required people to connect within 60 days. From a public policy standpoint, there would be people from all the neighborhoods coming and saying they did not have the \$1,000. He explained there would be grant programs available for people with hardships. He further stated that if things were not done consistently, then the whole financial model would collapse.

Mayor Naugle stated that they could possibly meet the people half-way. The residents could be told that they did not have to hook up, but they would have to pay the surcharge for a period of time. Commissioner Smith clarified that the residents would have to pay, pay the surcharge, but didn't have to hook up. Mayor Naugle stated the savings would be in the plumber's bill, but this would only be done for the limited amount of people they had committed to that didn't have to hook up unless they had a system failure, an addition, or until their property was sold. He explained that every year the number of those people who were qualified for such an exception would be reduced.

The City Manager stated that he understood what the Mayor was saying, but from a modeling perspective

he was not sure that the more exceptions they made, the more the whole thing would unravel. He explained that the benefit of the \$550 Million system was it was everyone coming on board and paying. Mayor Naugle reiterated that the residents would still pay the surcharge.

Commissioner Moore reiterated that as soon as one made a change for one group of people, one had to treat everyone the same.

Commissioner Hutchinson stated that 450 surveys were sent out and approximately 300 were in favor of the project. She felt they could not differentiate. She stated she was very concerned about the different deals being proposed for different communities. She stated that she had to look at what was fair for the rest of the City.

Mayor Naugle stated the Commission was approving staff's recommendation. He asked if they needed some type of formal action.

Greg Kisela stated that they could move forward to accomplish the matter.

Andy Ziffer, Tarpon River, suggested that the people who did not want to hook up had to stay with the old plan. Interest rates would still occur and the City would eventually still get their money. Personally, he favored everyone hooking up and paying their money.

Cara Campbell, Tarpon River, stated that she was not in favor of the sewer hook-ups and felt it was unfair because it favored the developers. She explained that they had been promised that if they did not want to hook up, they did not have to. She stated they paid their money and were the conscientious objectors referred to by Mayor Naugle. She remarked that she had done quite a bit of research regarding environmental issues and discovered that the drinking water was slowly being affected, and that this was the only State which permitted deep-well injections. She stated she had moral objections to having her sewage go into such a system.

Mayor Naugle replied that the solids do not go underground in deep-well injections and were filtered out by nature's filter system. Ms. Campbell disagreed according to her research, but continued stating that DEP had found that the deep-well injections were infiltrating. She further stated that at some point the City would have to address this problem. Mayor Naugle agreed.

Andy Ziffer stated that many people calculated the \$30 on their bill and it was not an average for their neighborhood. It might be a City average, but it did not apply to many people in their area. He reiterated that the majority of the opposition was in regard to the funding and stated they were never told up front about the \$1,000.

Mayor Naugle stated that many people in Tarpon River who were opposed to the sewers were opposed not because of the money, but because of the development. Commissioner Smith stated he believed money was the major issue.

Harry Stewart stated that each deal could be different, and that there was no requirement that they be the same. The question he was asked was if there was a new funding mechanism for the latest deal, which was the fifth one and was different from the first four, could the people from the first four take advantage of this deal since it appeared to be a better funding opportunity and was cheaper. There was no requirement that you had to do this, but if you did it for one area, it would have to be done for the rest. He further explained that each deal could be structured differently and the rates were different due to the interest rates, costs, and acquisitions of rights-of-way. He reiterated that if people were permitted to choose their deal from the cost standpoint, then you had to treat everyone the same.

Commissioner Hutchinson clarified that if they chose to allow the residents in Tarpon River who paid their money not to connect, they would have to offer that same deal to the other areas. Harry Stewart

confirmed and it had to be offered to everyone who participated. He further stated that the longest statute of limitations that would be applicable in this case would be five years.

Mayor Naugle reiterated that Commission would accept staff's recommendation.

Dave Rose asked for a clarification of staff's recommendation.

Mayor Naugle explained that there was a recommendation to treat the four areas under the new plan.

Action: Approved as recommended.

The Commission Conference meeting recessed at approximately for 4:20 p.m. in order to conduct the Fort Lauderdale Community Redevelopment Agency meeting.

The Commission Conference meeting reconvened at approximately 4:27 p.m.

I-G – Federal Courthouse Rebuild/Expansion Program

The City Manager asked for the Chairman of the Committee to give a brief update, and then Mr. Pete Witschen would report on his meeting with the School Board.

Commissioner Hutchinson stated their first meeting was held last Thursday and many people attended from various groups. The City Manager was asked to locate five acres, if possible, to accommodate the Courthouse south of the river. She also asked him to relocate Hardy Park if the site could not be changed for the Courthouse. She stated that the gentleman from the Broward County Historical Commission was glad the Federal Government had the ability to rehabilitate the South Side site. Her only charge was that they as a City relocate the existing park if the site remained as chosen for the Courthouse. She explained that the entire site was eight acres and they needed to replace acreage for acreage. She further stated they were presently searching for property south of the river and west of the tracks, and the next committee meeting would be September 26, 2002.

Commissioner Smith asked if property was going to be condemned. Commissioner Hutchinson stated that she did not feel they needed to look at that as of today, but she felt they needed to find the property and decide on the best way to acquire it. She explained that she was going to meet with a representative of FP&L and discuss the Orchid Facility and possibly how they could "flip-flop" some land. She felt this could be a good partnership.

Commissioner Hutchinson stated they expected to have more information for the Commission by October 15, 2002.

Mayor Naugle clarified they were presenting other options for sites for the Courthouse and searching for sites for the Park. Commissioner Hutchinson confirmed.

Commissioner Hutchinson stated that she had met with Ernest Burkeen, Parks & Recreation, and they had some sort of vision as to what they wanted to see regarding this facility. She continued stating that a possibility did exist of expanding the facilities at the park depending on how much acreage they received. She remarked that Floyd Hull was over capacity and Croissant Park was crowded regarding ball fields. The area was changing and needs had to be met for the area.

Commissioner Katz asked if the County had indicated they would assist in this project. Commissioner Hutchinson stated she had a commitment from Commissioner Rodstrom regarding his \$1 Million in Parks Bond Funds. Commissioner Smith asked if they purchased the South Side School site from the School Board. Commissioner Hutchinson stated that the City Manager would give more information on that

matter. She stated they had discussed that the parcel would be acquired from the School Board, and they in turn would then deal directly with GSA. Commissioner Smith stated that he was concerned that they were depending on the existing Federal Building to pay for this project and asked if he was under the correct assumption. Commissioner Hutchinson stated that she was searching for a funding source from the transaction. Commissioner Smith reiterated that he felt they needed to investigate the property thoroughly because of reports of a substandard base and possibly it might not be appropriate for a high-rise.

The City Manager stated that it was well documented when they were first building on the site that there was a "river" underneath, and all precautions would be taken. The idea was that the value of the building, plus the time the Court System would pay rent during the construction of the new facility, would help defray the cost of the property in order to prepare a park. He believed they were talking about seven years. He felt the rental rate would be sufficient for the City to recoup their dollars and use it in conjunction with another building program.

Pete Witschen, Assistant City Manager, reiterated that it would be seven years before they could vacate the existing building.

The City Manager further stated that the Federal Government felt the process could be facilitated if the property was in the hands of one owner.

Mr. Witschen further stated that he had met with the School Board and they preferred to do a clean sale and have ordered new appraisals which would take about two to two and a half weeks. He suggested that the City Commission an appraisal for the South Side School so they could independently assess the value of the site. He felt they also needed to get an appraisal for the Federal Courthouse because they had set a value of \$22 Million with rental credit offsets.

Commissioner Smith asked if the \$2 Million from Land Preservation was still included. Commissioner Hutchinson stated there was a possibility for more funding later on, but not at the present time.

Mayor Naugle suggested a motion to authorize appraisals at tonight's Regular Commission meeting.

Gary Hecker, Tarpon River, stated that he felt this was a "done deal." He stated that the neighborhood was concerned about the impact of traffic and asked if anyone had begun to look at the traffic flow through the area if they decided to build on the Hardy Park site. He felt this would be a critical component regarding any decision as to whether this property should be used for such a large impact in the area.

Commissioner Moore left the meeting at approximately 4:40 p.m. and returned at 4:50 p.m.

Mr. Hecker asked if the City elected to deflect any attempts to take the Hardy Park area, did the Federal Government indicate they would take the current Federal Courthouse off the table.

Commissioner Hutchinson stated she was not telling Tarpon River anything because they were sitting at the table listening to the discussions. First of all, she stated that traffic had been addressed, but since they were involved in informal stages at this point, she felt it was a disservice to discuss the mitigation of traffic. If and when this happened and they looked at developing a park west of the tracks, then she did not feel that anyone would be opposed to closing streets to protect the park and the neighborhood. Mayor Naugle remarked that if the placement of the park involved the closure of streets that would possibly help mitigate the traffic.

Mr. Hecker stated that he was not sure if the Federal Government had looked at that particular piece of property and if they researched the impact of traffic in regard to the running of the Courthouse. He felt it was important to do the traffic analysis now because that could impact the ability of using the site for the desired project.

Commissioner Hutchinson stated that when she looked at the traffic generated by the existing

Courthouse, there was very little impact. She remarked that the biggest percentage of the building would probably house the same amount of the people, and the reason for the size of the building had to do with the amount of rooms and the size of the offices.

The City Manager stated that Commissioner Hutchinson in her job as Chair of this Committee extracted from the Federal Government a commitment that even though they were not required to go through the City's Planning and Review Process, they would do this to make sure that they complied with all the rules and regulations. Traffic studies would be done to show the amount of traffic going through the area.

Cara Campbell asked if the land was deeded to the City with a stipulation regarding its use. The City Manager replied that they were doing research on that matter.

Andy Ziffer asked for a clarification of the Judge putting a deadline of October 15, 2002 on this issue. Commissioner Hutchinson explained that the Judge did not give a deadline, but the City stated they wanted to give more information to the Commission by that date or the first Commission meeting in November. She further stated that there was a lot of misinformation going around. She continued stating that they would like some sort of agreement with the City. She explained that if the City was not going to agree, then the government would move forward elsewhere.

Andy Ziffer stated that when they were discussing moving the park west of the tracks and assembling the land, he suggested to the FPL Citizens Advisory Committee the possibility of relocating the park on property they had already bought, and also the South Side Station. He remarked that FP&L was moving quickly with the Orchid Station. Commissioner Hutchinson reiterated she was meeting with them tomorrow. Andy Ziffer stated that the park should be bigger and better.

David Rose, President of Tarpon River, stated that within this area there was considerable discussion and dissent taking place. He explained that everyone wanted to keep Hardy Park as it was, but recognized the fact that this might not happen. He felt they needed a commitment to deal with the issues, such as a new park west of the railroad tracks, traffic, and parking. He suggested that a joint garage located between the two facilities could solve some of the parking problems.

Mayor Naugle stated that his initial impression regarding parking was that employee parking would be taken care of, but public parking would have to be provided by the City. He further stated that if they continued building more and more garages, then they would be encouraging more traffic for the area.

Commissioner Moore stated that he did not understand the issue of the eight acres and why it was part of the equation. Commissioner Hutchinson replied that originally they applied for the Park Bond issue in order to buy the South Side site and make Hardy Park bigger, and she felt the commitment needed to remain in the equation.

Commissioner Smith stated that the County Commission had the policy that they would not purchase real estate that was more than 10% over its appraised value, and he stated that he was concerned that a higher amount would be paid just to "seal the deal." Commissioner Hutchinson reiterated that it would be bought at a fair market price.

Mr. Witschen remarked that the appraisals so far were at about \$4 Million and \$5 Million and appropriate reductions would have to be checked. Commissioner Smith asked for a commitment that a fair market price be paid for the parcels being bought on the west side of the tracks. Commissioner Hutchinson confirmed.

Action: Motion to be considered at the Regular Meeting of the City Commission to move forward with the appraisals. Additional information to be provided October 15, 2002.

I-H – Comprehensive Annexation Bill - 2003 State Legislative Session

Mayor Naugle stated that it appeared that the challenge would be to get the County to carry some sort of operating deficit. He hoped that if this resolution passed that people would not have the mistaken impression that they were agreeing that a vote be taken in this area because it was a \$30 Million deficit, and he did not want that portion dropped from the equation. He had hoped that if there was a resolution it be worded clearly that this vote would be completely contingent on a plan for operating on expenses. Commissioner Moore asked for a clarification of the area that was involved. Commissioner Hutchinson clarified that it was the areas east of State Road 7. Commissioners Smith and Hutchinson stated that it had to be revenue neutral or they would not be interested.

Commissioner Katz stated they would have to give them some ideas on how to make it revenue neutral. She suggested in order to do this, they demand that the County keep control of the parks. Mayor Naugle remarked that the police and fire departments had the biggest expenses and that they had to have a multi-year operating subsidy.

Commissioner Moore stated that in Exhibit 2 which showed everything east of 441, there were still some purple areas in two of the census drives.

Jenni Clark, Office of Community and Comprehensive Planning, stated that they considered these areas to be enclaves of other municipalities and were not adjacent to them and would not pursue those areas. Commissioner Smith remarked that Village Park had some contiguous land to the City, but the other areas were inside of other municipalities.

Christopher Wren, Office of Community and Comprehensive Planning, stated that there were two areas south of Commercial Boulevard and staff decided that Commercial Boulevard would be a good demarcation between north and south.

Commissioner Katz stated that in Scenario 1 there was a five-year cumulative balance negative \$29 Million, and in Scenario 2 they had a \$28 Million negative balance, but on the maps Scenario 2 looked as if they were encompassing only the brown areas. She clarified they were choosing Scenario 1 and wanted to know why. Commissioner Smith stated that Scenario 1 had everything. They knew annexation was coming so this was their solution as long as it remained revenue neutral. Mayor Naugle stated that they could also choose Scenario 3, which was also within the City's policy and was revenue neutral. Commissioner Katz stated they would not accept that, and therefore, it was unrealistic. Commissioner Katz reiterated that she felt they should look at Scenario 2 and add the same stipulations. Commissioner Smith remarked that he felt they should take the solid communities, along with the other areas. Commissioner Katz further stated that she had a fear that they would not be in a position to say they would not take it, and if Senator Geller got his way it would be forced upon this City. She also felt that this should include the Swap Shop

Mr. Wren stated that the dilemma was that the bill deadline was October 4, 2002. Senator Geller was going to do a county-wide ad hoc committee which went beyond the City's comprehensive approach. He was pleased that they were considering a comprehensive approach and concluded that they would not know what the legislative delegations came up with on October 4th, but if there was a bill in before the deadline, it could be amended or withdrawn. In addition, there could be an interlocal agreement with Broward County to achieve the City's neutrality policy which had to be in place before any voter deadline.

Mr. Wren also stated that Representative Jack Seiler wanted to go on record as saying that the City should not be required to take on unincorporated neighborhoods which cost more to service than the taxes they generated, and suggested that some sort of language stating this be included in the City's bill.

Commissioner Moore stated that they needed to accept the fact that no legislation would pass during this

session and he agreed. He reiterated that their number one issue had always been revenue neutrality and the communities should have the option of two cities as proposed by the last annexation policy, as well as the fact that those communities would utilize the County's consultant to evaluate the numbers.

Mayor Naugle asked Commissioner Moore why he thought legislation would not get passed this year. Commissioner Moore replied that nothing would happen because the Broward Delegation members had not built any type of consensus as to how they would proceed. Commissioner Moore continued stating that Pembroke Park was still a "burning issue." He stated they had a year to sit down and negotiate with all the players to see how to leverage the deficits and their impact.

Mayor Naugle stated that this sent a message that this was only about revenue and they were not attempting to exclude anyone from this City. He further stated that the City refused to be in a position where they would have to raise taxes on existing residents in order to subsidize a neglected area which could not pay for itself.

Commissioner Moore stated that Rock Island had been within the City's limits and they had de-annexed it during the Depression. The other issue they needed to consider was the fact that cities jumped across 441 and only took along their commercial properties. At the present time, he was very concerned about the North Andrews Gardens area. The County rejected the City's RFP for fire rescue services and Oakland Park was chosen. Commissioner Moore believed the City would be asked to assist regarding mutual aid.

The City Manager replied that they had stated to Oakland Park that they would honor their commitment regarding mutual aid and service to Oakland Park, but they would not subsidize service to the areas which were unincorporated and which they were presently getting paid for.

Commissioner Moore asked if they could find out the number of mutual aid calls the City served in Oakland Park and Broward Estates. Commissioner Hutchinson stated that she had those numbers in her possession. Commissioner Moore felt this should be included in their Friday memos and also suggested that they be put on colored paper.

Mayor Naugle stated that an item was scheduled for tonight's Regular Commission meeting and the language would be reworded to offer a better clarification.

Mr. Wren stated that there was a new rule in the Broward County Legislative Delegation which stated there would be no bill without a legislator sponsoring it. He suggested they approach Representative Chris Smith to sponsor this bill, but so far he was not committed.

Commissioner Moore stated that Representative Seiler was doing everything north of Oakland Park Boulevard. Mr. Wren confirmed. Commissioner Moore reiterated that if they were presently dealing with Representatives Seiler and Smith, then those were the two individuals who should represent the City. Mr. Wren asked if the Commission was approving joint representation. The City Commission confirmed. The City Manager questioned about including the Senator. Commissioner Moore reiterated that they would have to deal with Senator Dawson and they could not tell the taxpayers they were going to increase taxes in order to offer services to another area of residents, especially if they were unwilling to de-annex property.

Mayor Naugle stated that he did not want to make an assault on another city.

Commissioner Smith asked if Representative Smith agreed with this. Mr. Wren replied that he had been talking to Plantation officials about de-annexing. He stated that they had run preliminary numbers and this would only generate about \$200,000 per year.

Commissioner Katz suggested that a footnote be included stating that they wanted the Swap Shop

included in the area.

Commissioner Smith asked if Representative Smith was as committed as Stiler about listening to the City's revenue neutrality policy. Christopher Wren stated that he totally acknowledged the City's position, but did not voice it as loudly.

Action: Approved with addition to include the Swap Shop and an amended item would be brought forward at the Regular Meeting.

I-I – Voting Delegates - National League of Cities (NLC) Annual Congress of Cities

Commissioner Smith remarked that he would be attending this event. Commissioner Moore nominated Mayor Naugle to be the delegate for that event.

Mayor Naugle asked Commissioner Moore to be the actual delegate and that he and Commissioner Smith would be the alternates.

Action: Commissioner Moore to serve as delegate and Mayor and Commissioner Smith to serve as alternates.

II-A – North County Homeless Assistance Center Report

Action: Status report.

Commissioner Smith left the meeting at approximately 5:19 p.m. and returned at 5:21 p.m.

III-B – Advisory Board Vacancies

Community Services Board

Commissioner Hutchinson appointed Karin Batchelder, Audrey O'Brien and Ruth Marx. Commissioner Smith appointed Robert Notti, Robert H. Smith and Dana Summers. Commissioner Katz appointed Sanford Rosenthal and Donald Winsett. Mayor Naugle appointed Scott MacLeod and John Hurley. Commissioner Moore appointed Jennie Brooks, Jerome J. Hankerson and Marsha Goldsby.

Action: Formal action to be taken at Regular Meeting.

Parks, Recreation and Beaches Advisory Board

Commissioner Hutchinson appointed Elizabeth Hays, Joe Shover and Timothy Nast. Commissioner Smith appointed Robert Missal. Commissioner Moore appointed Rosalind Osgood. Commissioner Katz appointed JoAnne Medalie, Randolph Powers and John Melnicoff. She asked when these appointments became effective, and the City Clerk replied October 7, 2002. Mayor Naugle appointed Victoria Pisto-Revier, Julie Cameron and John Rude.

Action: Formal action to be taken at Regular Meeting.

Historic Preservation Board

Commissioner Katz appointed Dan Perry.

Action: Formal action to be taken at Regular Meeting.

IV - Commission Reports

Strategic Planning - Dr. Leslie Leip

Commissioner Katz stated that she wanted to comment on Dr. Leip's report and stated that she was saying that she wanted to do something more on a real-life experience. Dr. Leip was offering her services pro-bono and would return in March and work with the Commission on what their values were for the City and how they could pursue them.

Action: None.

Urban Design Master Plan

Commissioner Katz stated that Ken Greenberg, Consultant, had made a preliminary presentation to the stakeholders. Good reports were heard regarding his work and she suggested that he make a presentation to the Commission.

Action: None.

SE/SW Second Street Charrette

Commissioner Katz stated that they were still in the process of putting together the charrette for 2nd Street for November. Mayor Naugle asked if Commissioner Katz was aware of the event going on for November 1st. She confirmed and stated that this would be a separate event. Mayor Naugle suggested that a different time be chosen.

Action: Charrette to be held the weekend after the Boat Show which would be November 9th to November 10th.

Police and Fire Appreciation Days

Commissioner Smith stated that the event was great for morale and the Fire Department had beat the Police Department in the Tug of War. He also stated that there was a great demonstration by the Fire Department.

Action: None.

Crime/Flagler Height/Searstown Area

Commissioner Smith stated that he needed assistance near Searstown because there had been a problem area for a long time and there was a great deal of prostitution going on in a three-block area and they needed to focus on this problem and take care of it permanently. Mayor Naugle asked if certain businesses in the area contributed to that problem. Commissioner Smith agreed but stated he would not publicly name them. He reiterated that the whole area was in disarray.

The City Manager replied that this problem would be addressed.

Action: Police Department to investigate.

Transportation Funding

Commissioner Smith remarked they had received a memorandum from Linda Cox and that the State was developing a fund to do transit work and a meeting would be held on October 3, 2002, at the Girl Scout

Building, 4701 N.W. 33rd Avenue, at 1:00 p.m. It was suggested the City have representatives there since they would be developing criteria for grants.

Action: City staff to attend.

The Coliseum

Commissioner Hutchinson commended Chief Roberts on his help with the parking problem at The Coliseum Nightclub. She stated that many tickets were issued, but this site was in the City of Hollywood. She hoped they were working hand-in-hand regarding capacity issues inside the club.

The City Manager stated that they did reach out and warn everyone that enforcement was going to take place.

Commissioner Hutchinson remarked that the new Mercedes dealership had spent a lot of money on landscaping and had even hired additional security to keep people from parking at their facility.

Action: As discussed.

International Airport Runway Expansion

Commissioner Hutchinson stated that this coming Tuesday at 10:00 a.m. the County Commission was due to vote on the runway extension for the south runway. She hoped this Commission would attend as a united front. She was attempting to get it time certain, and Pam Brown from the Commission offices would make sure it was listed on the Commission's calendars.

Action: None.

Annexation

Commissioner Hutchinson stated that the two new areas were part of the City as of September 15, 2002. She stated she had invited the Riverland group to attend her meetings and a lot of talk centered around Fire Station 47. Promises were made during the courtship that the level of service would continue the same for the area, and questions arose regarding staffing for the station and if there were sufficient supplies for the new personnel.

Keith Allen, Deputy Chief Fire and Rescue, remarked that two additional persons had been added and one more would be added in October. He explained they were using a reserve unit due to the fact that the new equipment had not yet arrived.

Commissioner Hutchinson stated that she wanted the plans for Station 47 to be presented at the November workshop. Chief Allen confirmed.

Commissioner Moore stated that he was not at the Police and Fire Appreciation Day due to the fact that he was in Washington, D.C. due to his concern regarding the Wingate Site.

Broward League of Cities

Commissioner Moore stated that he had been the representative for this group for a number of years and was now involved with the South Florida League of Planning Council. He explained that this provided him the opportunity to serve on a committee regarding business loans. He asked if the South Florida League of Planning Council could attend the Commission's next meeting and present the program on loan availability.

Commissioner Moore stated that the Gold Coast League of Cities had passed a resolution dealing with

beach renourishment, as well as the transportation issue. He wanted to present their agendas and recommendations to this Commission and develop a form of communication so updates could be given periodically.

Action: South Florida Planning Council to make presentation at future Conference Meeting.

8th Avenue and Sistrunk Boulevard

Commissioner Moore stated that there were a number of homeless individuals at this location and hoped that possibly the police could assist in encouraging these individuals to utilize the facilities being offered for their use. He also suggested that they speak to the businesses in the area who were littering the sidewalks with milk cartons for the homeless people to rest upon.

Action: Police Department to investigate.

African-American Research Library

Commissioner Moore commended everyone on their hard work.

Action: None.

Martin Luther King Committee

Commissioner Moore stated that he had asked for an appointment to the Martin Luther King Committee and stated that it was working. At the last meeting they agreed to come under one umbrella instead of being three separate entities. He explained they were asking for the City to take the lead on the events which took place in the past and the proposed date was January 20, 2003 at 6:00 p.m. at Parker Playhouse. He also stated that they wanted to honor unsung heroes of the community and they were suggesting Sam Morrison who made the library system what it was today and recognizing his work in building the African-American Research Library who was retiring in December.

Action: None.

Police Department Vacancies

Commissioner Moore stated that during the budget presentation he had made comments regarding the Police Department's vacancies. He was corrected and given proper information and wanted to publicly apologize to the Chief of the Police Department.

Briefing of Election Pollworkers

Mayor Naugle stated that he offered the City Clerk to assist in any way she could and did provide five volunteers for election night. In the '90's he stated that they had trained people to assist in the City's elections and at some point they might want to discuss this matter further.

Commissioner Hutchinson stated that in November they were doing a project with Kids Voting Broward.

Action: None.

Citizens Volunteer Corps Project (CVC)

Commissioner Hutchinson stated that on Saturday at noon they would be doing the CVC project at Snyder Park. Projects included diving to clean the big lake, a mural at Bark Park Wall, and cleaning the nature trail. Approximately 80 people were scheduled as volunteers.

Action: None.

Welcome Picnic For Annexed Areas

Mayor Naugle stated there would be a welcoming event for the new residents at Riverland and Melrose Park. The City Manager stated that the Commission should plan on being there at 2:00 p.m. for the ceremony.

There being no further business, the Conference meeting adjourned at 5:50 p.m.

Note: A mechanical recording has been made of the foregoing proceedings of which these minutes are a part, and is on file in the office of the City clerk for a period of two years.